# Land Board Agenda Item June 20<sup>th</sup>, 2011

# Prairie Elk Creek Land Exchange DNRC / Prairie Elk Colony

Proposal: Land Exchange between the Department of Natural Resources and

Conservation (DNRC) and the Prairie Elk Colony.

**Proponent:** DNRC and the Prairie Elk Colony

**Location:** McCone County.

**Purpose:** The exchange is proposed in order to provide greater management

flexibility between state and private land. Land management and

public recreational access would improve as a result of the

exchange.

## **Lands Proposed for Exchange:**

Private Land Proposed for Exchange

County	Legal Description	# of Acres
McCone	SE ¼ SE ¼ and that part of the SW ¼	55
	SE ¼ lying east of county road,	
	Section 34 T26N-R45E	
McCone	S ½ SW¼, Section 35, T26N-R45E	80

Total Acres 135

State Land Proposed for Exchange

County	Legal Description	# of Acres	Trust		
McCone	That part of the N ½ lying north and west of Highway 528, Section 16 T26N-R46E	90	Common Schools		

Total Acres 90

The following is an analysis of the Prairie Elk Creek land exchange under the Land Board's land exchange criteria:

# 1. Equal or Greater Value

The private land proposed for exchange is comprised of 30 acres of dryland farm ground and 105 acres of grassland along Prairie Elk Creek. The value of the private land offered for exchange was appraised at \$360/acre, making the total value of the private land offered in trade \$46,800.

The state trust land is comprised of 90 acres of upland grazing land. The grazing land was appraised at \$360/ acre, making the total value of state trust land offered in trade \$32,400.

Private land 135 Acres \$48,600 Trust land 90 Acres \$32,400

Meets criteria.

## 2. State land bordering on navigable rivers and streams

The private land offered in this exchange contains 1/4 mile of frontage on Prairie Elk Creek, a perennial prairie stream.

The state trust land offered in this exchange contains no navigable rivers or streams.

Meets criteria.

# 3. Equal or greater income to the trust

As a condition of the land exchange, the Prairie Elk Colony desires to lease back the land to be acquired by the state. The DNRC's Eastern land Office has negotiated the following lease terms. The 30 acres of private dryland farm ground will be leased as a cash lease for \$18/acre. The 105 acres of grazing land will support 31 AUM's, leased at the rate of \$15.00/AUM. Thus, the dryland farm ground is expected to bring \$540 and the grazing land \$465 for a total projected annual income of \$1,005.

The 90 acres of state land supports approximately 13 AUM's. The 13 AUM's at the current grazing rate for this parcel of \$6.23 yields an annual income of \$80.99.

Private land \$1,005 annual income 1.94% Rate of Return Trust land \$80.99 annual net income 0.15% Rate of Return

Meets criteria.

## 4. Equal or Greater Acreage

The land exchange proposes exchange of approximately 90 acres of state grazing land for approximately 135 acres of private deeded grazing and Ag land. Both the private and State lands are being surveyed for conveyance, final acreages may change slightly, but not affect how the exchange meets the Land Boards exchange criteria.

Private land 135 acres Trust land 90 acres

Meets criteria.

## 5. Consolidation of state lands

The land exchange would not necessarily consolidate state lands but instead would provide access to a block of previously inaccessible BLM and state land.

The exchange would provide one quarter mile of frontage to a county road which in turn would allow for access to approximately 440 acres of BLM and an adjacent 640 acres of state land.

#### Meets criteria.

# 6. Potential for long-term appreciation

The recreational portion of the private is expected to appreciate rapidly. Farm ground and grazing ground in the Wolf Point area are appreciating in value. The area is generally losing residential population.

#### Meets criteria.

### 7. Access

The proposed exchange would provide public access to a previously inaccessible block of 440 acres of BLM and an additional 640 acres of state land, creating a block of legally accessible State and BLM land totaling 1,215 acres. Access to this portion of Prairie Elk Creek, and the adjoining breaks and uplands as well as the dryland farm ground; all provide excellent hunting opportunities.

The parcel of state land to be exchanged is accessible from Highway 528. Due to it's proximity to inhabited dwellings on adjacent private lands, discharge of firearms is prohibited; therefore greatly reducing its recreational use potential. Access to the portion of state section 16 south of highway 528 would be unchanged by this exchange.

Private land 135 acres accessible, and provides access to an

additional 1,080 acres of currently inaccessible public

land.

Trust land 90 acres accessible

## Meets criteria.

## **Cultural/Paleontological Resources:**

The state parcel proposed for exchange (T26N R46E Section 16: that part of the N1/2 lying north and west of Highway 528) was inventoried to Class III standards for cultural and paleontological resources. No cultural or paleontologic resources were identified. Further, neither Judith River nor Hell Creek geological formations occur on or beneath the ground surface of the subject state tracts. The geology of the general project area is characterized by frequent massive outcrops of sandstone and buttes of clinker (scoria) and low quality porcellanite associated with the Fort Union Formation. Soils in the site locale are colluvium and possibly alluvium.

A public hearing was held in Circle on May 12<sup>th</sup> at 2:00 PM to solicit comments on the exchange. No members of the public attended the meeting to express support or opposition to the land exchange. A comment was received from the BLM in favor of the proposal.

# **Agency Recommendations**

This land exchange meets and exceeds the land exchange criteria as described above and would be a benefit to the trust beneficiaries. The Director recommends this exchange receives final approval by the Board.







